

March 8, 2010

Ms Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke St
Alexandria, VA 22314-3428

Re: Comment on Proposed Revision of Part 704

Dear Ms Rupp:

Martin Federal Credit Union appreciates the opportunity to comment and provide input to the proposed corporate revised rule. While we understand and support the reasons for the proposal, we are concerned that the "baby may go out with the bathwater" as the rule is overly restrictive.

Our specific concerns are:

- From a natural person credit union perspective, we feel that corporates should be allowed to replenish capital back to existing holders if losses do meet projections. Why should Martin FCU not benefit from a capital turnaround when we suffered from capital losses?
- The corporate need to be more closely regulated as far as to what they invest in, how much is invested and how long the term is, but as it is written, they have little ability to earn the kind of returns necessary to be competitive.
- As proposed, it appears that the timeframe for corporate to reach the required capital levels is unrealistic. The proposed restrictions on investments, credit and ALM appear to tie the hands of the corporates to the point that making the kind of profit necessary to attain the required capital goals is not possible.
- The term limit clause only allowing service for 6 years is too short to attract and retain qualified experts that would prevent the kind of failures we are witnessing now. I have served on league and service corporate boards in the past that had term limitations. I do support some term limitations, but my experience tell me that 6 years hardly gives volunteers time to become acquainted enough with the policies and process to make expertise decisions. This leads to staff controlling the process and the value of the volunteer oversight is diminished.

When this is all over, I am sure there will be fewer corporates. What I would caution the Board about is that they allow or encourage mergers that result in our industry's own "too big to fail" mentality. Didn't we already go through that with US Central and WesCorp?

Martin is \$125m in assets. We depend on the corporate system for share draft processing, liquidity needs, ALM support and investment options. Yes, we could get these services elsewhere, but keeping within the system gives us a level of trust (even after the last 12 months) and confidence we feel is not available from vendors whose sole purpose is profit. With NCUA's strict requirements on third party vendors and due diligence, the corporate network has been a reliable resource, even with its recognized weaknesses. Please make every effort to keep this resource viable and affordable and still in control of our peers with reasonable oversight.

Yours Truly,

A handwritten signature in cursive script that reads "Bob Beskovoyne".

Bob Beskovoyne, CEO
Martin Federal Credit Union